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United States Senate

APPROPRIATIONS

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BUDGET

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SMALL BUSINESS AND ENTREPRENEURSHIP

April 2, 2020

The Honorable Donald J. Trump President of the United States The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear President Trump:

We are writing to urge you to direct the Secretary of the Interior to take immediate and decisive action to provide relief to the independent offshore oil and gas companies who operate in the Gulf of Mexico. Unless the Federal government provides meaningful relief to the independent offshore oil and gas companies in the next 30 days, the continued viability of the industry will be in serious jeopardy. These companies provide tens of thousands of jobs and, in 2018 alone, paid the Federal government over \$1.5 billion in the form of royalties. The loss of this important industry would have a devastating effect on Louisiana and would negatively impact the national security interests of the United States.

The independent offshore oil and gas companies are not asking for a bailout. Instead, they are asking the Trump Administration (through the Department of the Interior) for three <u>temporary</u> relief measures:

- 1. Grant a suspension on the payment of all royalties on oil and gas produced in the Federal waters of the Gulf of Mexico by or on behalf of independent oil and gas companies until twelve months after the World Health Organization removes the pandemic declaration.
- 2. Direct suspensions of operation and production for Federal offshore leases for the same time period.
- 3. Grant an automatic three-year extension for the primary lease terms of offshore oil and gas leases.

We would ask that the White House engage directly with the Department of Interior to ensure that the Secretary expeditiously grants this relief. These producers are a vital component of the country's national security and are essential to the Energy Dominance that you and we seek for the United States.

We are available to discuss this urgent matter with you at any time.

Sincerely,

John Kennedy

United States Senator

Bill Cassidy, M.D.

United States Senator

Bill Cassidy, M.D.